

Mr. Barry Wood
Assessment Director
Department of Local Government
100 N Senate Ave
Rm N1058
Indianapolis, IN 46204

Re: Submittal of Hamilton County Ratio & Equalization Study 2009 pay 2010

The attached excel files depict our ratio statistics per township and by property classes. The first sheet is a summary of each Township's parcel count, COD, PRD, and Median. The additional sheets are by Township with detailed data.

We are submitting our 2009 pay 2010 worksheet values of all parcels for the County in the format you directed. We are also attaching an excel file of 2007 & 2008 sale parcels that were changed and the reason they were changed.

We collapsed Adams, White River, & Wayne Townships to arrive at sufficient sample size for all property classes. These three townships assessments were completed by the County Assessor's office. We have also collapsed all Townships' Agricultural improved, Commercial and Industrial property classes.

Hamilton County completed our trending in house with no outside vendor. The ratio and equalization was completed in house as well. Hamilton County utilizes SPSS software to run statistical analyses on all parcel data to ensure that we are assessing property within State guidelines.

Narrative of Hamilton County's trending procedures

Residential:

Hamilton County had sufficient 2008 sales in most neighborhoods to trend residential properties for the 2009 pay 2010 tax year. There are some neighborhoods that did not have enough sales to establish trending factors. We combined neighborhoods where we could. Some neighborhoods were expanded to include 2007 sales time adjusted to 1/1/2008. Our time adjustment was calculated utilizing information from MIBOR as well as a paired analysis calculated by the County. We also utilized our previous year's appeals in those neighborhoods that we experienced a larger number of appeals in. If all avenues were applied and we still did not have enough data to arrive at a trending factor, we did not change the neighborhood.

Step one: We captured all vacant land sales that now have subsequent improvements to ensure we were using all possible sales. Per 50 IAC 14, we ran ratios of vacant land sales to establish base rates by neighborhood in all townships. If warranted base rates and or excess rates were changed. We saw very little change in land values, so most base rates stayed at their 2008 rates.

Step Two: We captured all multiple parcel sales and summed the totals of all parcels land and improvement value to ensure we were using all possible sales. There is a notation in the header file of each township if it was a vacant or multiple parcel sale. Per 50 IAC 14, we ran ratios of residential improved sales by neighborhood in all townships to define any problem areas. If warranted we stratified any neighborhoods that were falling outside the requirements either by age, story height, square foot, etc. We applied a neighborhood factor adjustment if warranted. Then we re-ran ratios to ensure that we were within the guidelines.

Step Three: We ran ratios by township by class to ensure that our changes were within the guidelines. Reviewed any changes in neighborhoods that are adjacent to township lines to ensure all properties were being treated the same in those adjoining neighborhoods.

Commercial & Industrial:

In establishing values for 2009 commercial/industrial trending, the starting point used was by adjusting the 2002 reassessment cost values by a factor of 1.38. This was arrived at by utilizing the current Marshall and Swift Cost Manual and adjusting the depreciation year to 2008. This was done in townships with a large numbers of commercial/industrial properties. Townships with little commercial/industrial properties were done by reviewing the sales in the neighborhoods and adjusting as needed. After adjusting improvement value by said factor and deprecation, the land values were reviewed and adjusted where needed based upon sales information. Certain commercial/industrial neighborhoods and use types required individual review and adjustment. A major help in this year trending was the information received and researched in the appeal process for 2007 and 2008 trending. This supplied income, expense and cap rate data. Reality rates and RERC real estate report were used to help establish valid cap rates. Web sites, such as Loopnet, were used to help arrive at current leasing information and cap rates information in the area or for like use types where no information was available in the county. The above appeal information, helped us with a more working knowledge of market data versus a purely cost approach mentality.

The following are data stats for Hamilton County to aid you in your analysis:

Total Parcel Count: 115,768

There were new parcels created by either the 85 new plats or the 124 splits recorded. There were 261 parcels deleted either by new plats or combinations recorded.

Total Valid and Invalid Sales Disclosures submitted for 2007 & 2008: 22,843

Total number of 2007 used: 2,460

Total number of 2008 used: 6,824

Total number of sales that were validated used in ratio: 9,285

If you have any questions or need additional information, please contact me at 317-776-9668 or my cell 317-502-7955.

Sincerely,

Debbie Folkerts
Hamilton County Assessor